Effect of organised retail on employment

2766. SHRI SITARAM YECHURY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that unorganized retailing is a major contributor in the rural employment, next to agriculture;

(b) if so, the data of unorganized retailing in terms of employment generation;

(c) whether it is also a fact that the growing organized sector in retail would affect this unorganized retailing badly; and

(d) if so, Government's assessment thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) and (b) As per two latest quinquennial rounds of National Sample Survey Organization on employment and unemployment, employment opportunities on Current Daily Status basis in trade, hotel and restaurant sector (including retail trade) have been estimated at 37.58 million in 1999-2000 (55th round) and at 47.99 million in 2004-05 (61st round). In rural areas alone, employment opportunities in this sector have been estimated at 14.73 million in 1999-2000 and 20.49 million in 2004-05. Employment in agriculture sector in rural areas was estimated at 185.04 million in 1999-2000 and 192.47 million in 2004-05. In terms of percentage share in total employment in rural areas, agriculture provided employment to 73.68% and 69.37% in 1999-2000 and 2004-05 respectively. Share of trade, hotel and restaurant sector in total employment was estimated at 5.87% in 1999-2000 and at 7.39% in 2004-05. Data is not available separately on employment in retail sector.

(c) and (d) Department of Industrial Policy and Promotion have on 20-03-2007 sanctioned a Study on "The Impact of organized Retailing on the Unorganized Retail Sector" to be carried out by International Council for Research on International Economic Relations (ICRIER). The Study will, *inter alia,* cover effect on small retailers and vendors in the unorganized sector keeping in mind the likely growth in the overall market and effect on employment. The Report from ICRIER in this regard is expected by middle of July, 2007.